



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
PHILADELPHIA DISTRICT OFFICE
MELLON INDEPENDENCE CENTER
701 MARKET STREET
SUITE 2000
PHILADELPHIA, PENNSYLVANIA 19106-1532

KINGDON KASE
SENIOR TRIAL COUNSEL
(215) 597-0794
kasek@sec.gov

August 25, 2006

**VIA FACSIMILE (215) 580-2141
and FIRST CLASS MAIL**

Honorable Jan E. DuBois
12613 United States Courthouse
601 Market Street
Philadelphia, Pennsylvania 19106

Re: **SEC v. Michael A. Liberty, et al.**
Civil Action No. 06-1030 (E.D. PA) (JD)

Dear Judge DuBois,

I am writing on behalf of both the Securities and Exchange Commission and defendant Michael A. Liberty in response to your Order, issued August 8, 2006, in which you directed the parties to file a supplemental status report on or before August 25, 2006. Since that time, counsel for the Commission and counsel for Mr. Liberty have met to discuss various issues related to this matter and to work out a proposed discovery schedule to submit for the Court's approval. As a result of that meeting, the parties have agreed upon the proposed discovery schedule set forth below, which reflects the considerable complexity of the legal and factual issues involved, the large volume of documents that may be subject to discovery, and the significant number of witnesses whom the parties anticipate deposing. Given those circumstances, the parties anticipate that allowing sufficient time to conduct comprehensive discovery will help streamline the trial of this matter, should that ultimately be necessary.

DATE

ITEM

September 29, 2006

Parties exchange initial disclosures and make relevant documents available pursuant to FRCP 26(a).

September 28, 2007

Deadline for completion of fact discovery.

November 9, 2007

Plaintiff's expert report(s) due.

December 21, 2007

Defendant's expert report(s) due.

DATE

ITEM

February 1, 2008

Deadline for completion of expert depositions.

February 29, 2008

Dispositive motions due.

March 31, 2008

Responses to dispositive motions due.

April 14, 2008

Replies to dispositive motions due.

Counsel for the Commission and counsel for defendant Liberty are available to discuss this matter further if Your Honor would like. Thank you for your consideration

Very truly yours,

Kingdon Kase
Senior Trial Counsel

cc: Jay A. Dubow, Esquire (via facsimile)